CHARLOTTESVILLE AFFORDABLE HOUSING PLAN

November 2020 DRAFT FOR REVIEW

HR&A Analyze. Advise. Act.

Introduction to the Draft

The Charlottesville Affordable Housing Plan and Cville Plans Together
The City of Charlottesville is undertaking a two-year effort to establish a deep commitment to equity and inclusion, through three separate but related efforts, called **Cville Plans Together**. To advance this work, the City is working with a team of consultants led by Rhodeside & Harwell, Inc. (RHI), with HR&A Advisors, Brick & Story and Code Studio. This draft Affordable Housing Plan contains immediate, short-term, and longer-term recommendations to advance affordable housing. The recommendations in the Affordable Housing Plan, once finalized, will be used in crafting revisions to the Housing Chapter of the Comprehensive Plan and inform the City's zoning code rewrite. **While the Affordable Housing Plan document itself does not cover the full breadth of topics covered in the Housing Chapter of the Comprehensive Plan, the recommendations will be incorporated in several ways:** the vision for affordable housing, as shown in the Executive Summary of the Affordable Housing Plan, will be used in revising the vision statement for the Housing Chapter of the Comprehensive Plan; recommendation statements, as shown in the Executive Summary and later in the document, will be incorporated into the Housing Chapter of the Comprehensive Plan as goals and strategies; timeframe and action steps for recommendations from the Affordable Housing Plan will be utilized in the Implementation Chapter of the Comprehensive Plan, and will be considered in the development of the updated zoning process; finally, the Affordable Housing Plan will also be included as a reference document for the Comprehensive Plan.

The Planning Process and the Purpose of this Draft
The Charlottesville Affordable Housing Plan is a year-long effort conducted in four phases: review of existing conditions, discussion of community goals and priorities, development of strategies and tools, and the completion of a draft and final plan which will be incorporated into the housing chapter of the Comprehensive Plan. **This document serves as the draft plan, which will be reviewed by the public and the City before incorporation into the Comprehensive Plan in Winter 2020-2021.**

This is a draft for public comment. Comments will be accepted through multiple veins of engagement and incorporated into the final plan. **Please visit CvillePlansTogether.com** to learn how to provide your input.

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Executive Summary

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Executive Summary | Plan Overview

Like many cities around the country, **Charlottesville is in the midst of an affordable housing crisis**. Though the City has made repeated investments in developing and preserving affordable housing, Charlottesville still faces a significant affordable housing gap. At the same time, historical patterns of segregation persist throughout the City, and continue to contribute to racial disparities in income and opportunity.

The Charlottesville Affordable Housing Plan builds on past work done by the City and its partners, including a 2018 Housing Needs Assessment, to identify **a framework to guide affordable housing policy and investments to increase the impacts of the City's policies and programs, remove barriers to access, and advance racial equity in housing in Charlottesville.**

VISION

The City of Charlottesville will work to achieve a local housing market that is healthy, high quality, affordable, and above all, equitable.

PRINCIPLES

Racial Equity

Regional Collaboration

Comprehensive Approach

RECOMMENDATIONS

Funding	Make a **strong and recurring financial commitment** to address housing needs in Charlottesville.
Governance	Build governance structures that **institutionalize an equitable and efficient implementation** of the Affordable Housing Plan.
Land Use	Revise **regulations and development approval processes** to increase the supply of housing and slow the increase in housing cost, while protecting lower income and other marginalized communities.
Tenants' Rights	Change local policy and advocate at the state level to expand Charlottesville's ability to **support tenants' rights**.
Subsidy	**Focus and align subsidy programs with community-defined priorities** and make changes to increase impacts

Executive Summary | Major Initiatives

The City of Charlottesville has made affordable housing a top priority in recent years. It has dedicated a level of public funding and supported a portfolio of housing tools typical of a much larger city. The Charlottesville Affordable Housing Plan is intended to sustain Charlottesville's commitment to affordable housing while increasing the impact of the City's activities. Though there are many tools and recommendations included within this Plan, there are **three major initiatives that together would represent a significant commitment to supporting racial equity in affordable housing in Charlottesville.**

Dedicate $10M Annually To Affordable Housing

The Charlottesville Affordable Housing Plan recommends that the City allocate $10M annually for affordable housing programs, including tax relief and direct subsidy programs. To sustain support for affordable housing the City needs to set a consistent level of funding. The City's housing partners - nonprofits, the housing authority and other stakeholders - also need to know that funding will be available so that they can plan and build capacity to implement portions of the housing plan. A commitment of $10M annually could serve over 4,000 households over ten years.

Build Inclusive Governance Throughout Charlottesville's Affordable Housing Infrastructure

The Charlottesville Affordable Housing Plan makes several recommendations to bring diverse voices from the community into decision making structure of the City and partners it funds. This includes both BIPOC housing professionals and community members, as well as people who benefit from affordable housing assistance. To support this move toward equitable governance, the City should fund training and support the creation of onboarding materials to ensure members of public and nonprofit boards are equipped to shape affordable housing policy and can be supported as they participate in priority-setting conversations.

Adopt Progressive and Inclusionary Zoning Reforms

Single family zoning, which is prevalent in Charlottesville, has historically been a tool to create and reinforce racial segregation in Charlottesville and nationwide. The Land Use chapter of the Charlottesville Affordable Housing Plan outlines recommendations to address the legacy of exclusionary zoning in Charlottesville. The Comprehensive Plan Update and Zoning Code Rewrite will build on these recommendations.

Executive Summary | Guiding Principles

The recommendations within the Charlottesville Affordable Housing Plan are built with three guiding principles in mind: **racial equity, regional collaboration, and a focus on a comprehensive approach**. These guiding principles inform the design and implementation of recommended strategies and will enable the City to track the impacts of its affordable housing activities. Aligning the City's affordable housing policies, programs, and investments with these guiding principles will help the City to more effectively address the affordable housing needs of its residents and workers.

Racial Equity	Housing policies and programs in Charlottesville must be intentionally designed to overcome the City's history of racial segregation and its ongoing inequities.
Regional Collaboration	Charlottesville must collaborate with Albemarle County and other regional jurisdictions, as well as UVA and other prominent regional institutions, to address housing affordability challenges.
Comprehensive Approach	Charlottesville needs to implement a combination of subsidy, land use, and tenants' rights policies to meaningfully impact housing affordability and provide a ladder of housing opportunity.

Executive Summary | Funding Recommendations

Charlottesville should make a **strong and recurring financial commitment** to address housing needs in Charlottesville.

In particular, the City should implement the following recommended changes to its funding policies:

Scale	**Dedicate $10M per year to fund affordable housing,** to achieve a potential impact of serving over 4,000 households or housing units over 10 years.
Consistency	**Make a commitment to sustain this level of funding for ten years**, identifying sustainable and reliable source(s) of dedicated funding.
Targeting	**Target funding towards extremely low-income households** to ensure that public funding is targeted to incomes with the greatest need. Allocate 40% of funding to serve households with incomes up to 30% of Area Median Income (AMI), 40% of funding for households earning 30 to 60% AMI, and 20% of funding for households earning 60 to 80% AMI. Also **attach funding to community representation for funding recipients**.
Transparency	**Clearly identify overall housing expenditures** within the City's budget, and publish metrics on program funding, capacity, and impacts to create accountability and measure progress towards housing goals.

The funding chapter provides additional detail on recommended policy changes, as well as the anticipated impacts of these changes.

Executive Summary | Governance Recommendations

Charlottesville should build governance structures that **institutionalize an equitable and efficient implementation** of the Affordable Housing Plan.

In particular, the City should implement the following recommended changes to its governance structures:

Housing Advisory Committee	**Reform the structure and function of the Housing Advisory Committee** to build trust and improve its impacts.
Charlottesville Affordable Housing Fund (CAHF) Committee	Appoint a committee with community representation to make recommendations about the **priorities and distribution of the CAHF**.
City Staff Capacity	Realign priorities, increase capacity, and empower staff to be **collaborative with advocates and responsive to community needs**.
Standardized Funding Process	Establish **clear, transparent, and competitive processes** to award grants and loans for affordable housing.

The governance chapter provides additional detail on recommended policy changes, as well as the implementation needs and anticipated impacts of these changes.

Executive Summary | Land Use Recommendations

Charlottesville should revise its **regulations and development approval processes** to increase the supply of housing and slow the increase in housing cost, while protecting lower income and other marginalized communities.

In particular, the City should implement the following recommended changes to its land use tools:

Multifamily By-Right	Change zoning and development processes to **increase the production of multifamily housing** and **expand feasible by-right development** and advocate for similar changes throughout the region, to begin to reverse entrenched patterns of racial segregation.
"Soft Density" By-Right	Change the City's zoning to **allow soft density in single-family neighborhoods** and advocate for similar zoning changes throughout the region while limiting displacement of low-income communities.
Accessory Dwelling Units (ADUs)	Increase the **flexibility to permit Accessory Dwelling Unit** (ADU) development and **provide public funding** to support affordability.
Inclusionary Zoning	**Create a mandatory inclusionary zoning policy** to increase the production of affordable housing units as part of all new development.

The land use chapter provides additional detail on recommended policy changes, as well as the implementation needs and anticipated impacts of these changes, and examples of how other communities have used similar tools to support housing affordability.

Executive Summary | Tenants' Rights Recommendations

Charlottesville should change local policy and advocate at the state level to expand the City's ability to **support tenants' rights.**

In particular, the City should implement the following recommended actions and policy changes:

Developments Receiving City Assistance	Require housing developments that receive City funding to provide **enhanced tenants' rights.**
Right to Counsel	Dedicate funding for the provision of legal services for tenants facing eviction and **establish a citywide right to counsel in eviction cases.**
Just Cause Eviction	Advocate for **enabling legislation to support just cause evictions** and to make other changes to the state's eviction process.
Rent Control	Advocate for **enabling legislation to enact rent control** in Charlottesville.

The tenants' rights chapter provides additional detail on recommended policy changes, as well as the implementation needs and anticipated impacts of these changes, and examples of how other communities have used similar tools to support housing affordability.

Executive Summary | Subsidy Recommendations

Charlottesville should **focus and align subsidy programs with community-defined priorities** and make changes to increase impacts.

In particular, the City should implement the following recommended changes to its subsidy tools:

Reduce development costs for affordable rental housing units.	
Gap Funding Low-Income Housing Tax Credits (LIHTC)	**Support the development of new affordable rental housing by providing gap financing** (low interest loans and grants) to help fund development costs.
Public Housing Redevelopment	Set parameters for level and timing of funding that can be made available to **Charlottesville Redevelopment and Housing Authority (CRHA) to modernize all public housing.**
Preservation Fund	Dedicate funding to **support the preservation of existing affordable housing** in Charlottesville.
Land Bank	Establish a land bank and **provide land equity to develop affordable housing.**

Executive Summary | Subsidy Recommendations

Increase and preserve access to affordable homeownership	
Down Payment Assistance & Shared Ownership Equity	Revise Charlottesville's existing down payment assistance program to **serve a larger number of households and support shared equity ownership.**
Single Family Infill Development	Partner with developers to build and renovate **affordable single-family and soft density housing** in existing neighborhoods.
Owner-Occupied Rehabilitation Assistance	Support existing low- and moderate-income homeownership by providing **assistance to make necessary home repairs and maintain affordability.**
Property Tax Relief	Continue the provision of **property tax relief** to low- and moderate-income homeowners.
Provide rental assistance to tenants	
Tenant-Based Vouchers	Continue the provision and use of **tenant subsidies for rental housing** in all parts of the city.
Emergency Rental Assistance	Establish a **permanent eviction prevention fund** to provide emergency rental assistance to lower income households in crisis**.**

The subsidy chapter provides additional detail on recommended policy changes, as well as the implementation needs and anticipated impacts of these changes, and examples of how other communities have used similar tools to support housing affordability.